S661S-2
9/2/89

AUGUST 1989

OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

July	1989	5.2
June	1989	5.4
July	1988	5.9

United States (Seas. Adj.)

July	1989	5.2
June	1989	5.3
July	1988	5.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

July	1989	127.4
June	1989	127.2
May	1989	127.0
Apr.	1989	126.8
Mar.	1989	126.9

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

June	1989	$10.82
May	1989	$10.84
June	1988	$10.61

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

June	1989	39.8
May	1989	39.6
June	1988	39.3

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver

Jan.-June 1989	119.3
Yearly change	5.0%
Annual Average 1988	114.7
Yearly change	3.4%

United States

July 1989	124.4
Yearly change	5.0%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

LUMBER UPDATE, SLOWING IN SERVICES, AND HELP WANTED

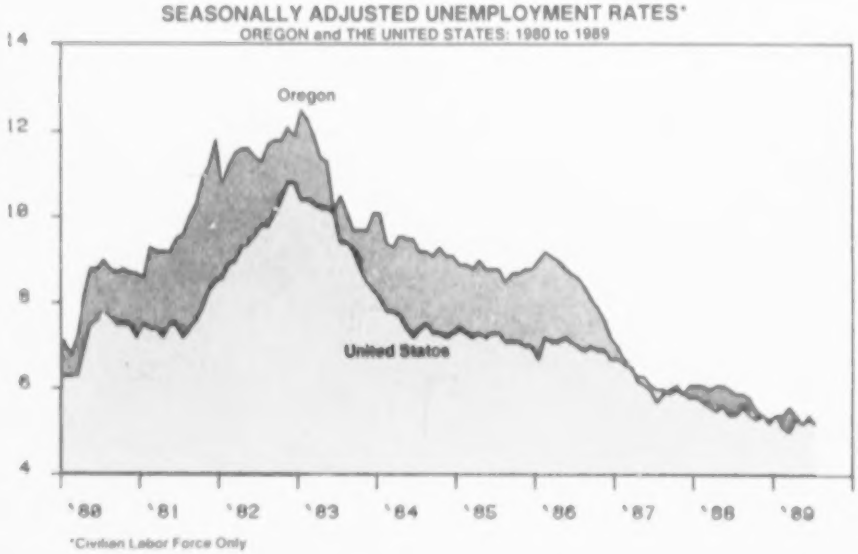
Graham Slater

Much has been written about conflicts in the lumber industry and the resulting mill closures and layoffs. Less is known about the dramatic slowdown in services growth. And the problem posed by a labor shortage has been the last thing on Oregonians' minds over the past ten years. But all three of these issues have had a significant and increasing effect on Oregon's employment situation over the past twelve months. This article will investigate the first two as part of the general overview of the July statistics, and will conclude with a review of the third.

Oregon's seasonally adjusted unemployment rate fell to 5.2% in July, the same level as the national rate. This marks the tenth consecutive month that Oregon's rate has remained within a narrow 5.2% - 5.6% range. While education employment took the expected "end of school year" plunge (down more than 26,000), total employment managed a net increase of 5,900, with many jobs snapped up by students entering the summer labor force. Data from the national Current Population Survey indicated that few students moved from school to unemployment, as most went right to work.

Nonagricultural wage and salary employment (based on a monthly survey of about 6,000 Oregon employers) also reflected the July education losses, falling by 16,900. On the bright side, the drop was 1,800 fewer than seasonally expected, as a variety of durable goods manufacturing industries, trade, and services exceeded seasonal norms.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

The Lumber Update

Oregon's lumber & wood products industry added 700 employees in July, slightly above the normal June-July increase. Most activity came in logging (+500) with other areas stable in spite of several ongoing closures.

Let's digress briefly to analyze the industry's performance over the past year, starting by making it clear that this article will not be discussing the causes and effects of log shortages, court injunctions, environmental concerns, log exports, mill modernization, or other factors. In the early months of 1989, the lumber industry was facing devastation from thousands of layoffs or no impact at all, depending on who was conducting the analysis. Those who took a middle ground managed to displease both sides, but they have thus far been proved right. Oregon's lumber & wood products industry now provides fewer jobs than it did a year ago, but not to the extent feared. When the impacts of labor disputes are considered, the number of lumber jobs has dropped a little over 1,500 since last July. Furthermore, this has occurred over a period in which interest rates have increased significantly and national housing starts have declined by about 5%.

An accompanying table lists all lumber closures formally announced in published sources, largely the news media. These closures cover the twelve months starting July 1, 1988 and indicate that a little over 4,000 lumber employees have either been affected, or might be affected, by mill closures or cutbacks. However, a universe phone survey of all firms on the list (conducted in early August 1989) indicated that only 2,645 jobs had actually been lost to that date. Tying this information with the overall lumber employment picture suggests that operating lumber mills have experienced some growth which, in part, has compensated for the layoffs resulting from closures.

Since 1972, logging employment has ranged from a low of 10,100 (1982) to 13,700 (1974) on an annual average basis. The most recent high was 12,800 in 1984. So far in 1989, logging has been averaging 900 jobs fewer than the comparable 1988 level, suggesting that this year's average will fall to around 11,600, the lowest since 1982. Indeed, July's level of 12,900 was the lowest since that year.

Sawmills, with 15 documented closures or curtailments, has surprisingly dropped only 200 employees (out of more than 23,000) compared with last July. (The 200 loss is reached by removing the effect of labor disputes for both years.) In addition, a projected 22,600 annual average for 1989 will rank with the best years since before the recession! Further analysis of the 102 sawmills in our monthly survey shows that 56 have added employees over the past year, while 34 now offer fewer jobs.

Oregon's veneer & plywood industry has also experienced several shutdowns in the past 12 months, nine to our certain knowledge. Employment has also been severely affected by labor disputes both in mid-1988 (1,400) and early-1989 (2,100). Aside from strikes, employment in July stood 1,100 below the year ago level. Employment is projected to average 15,600 in 1989, a substantial drop from the 1988 level of 17,200.

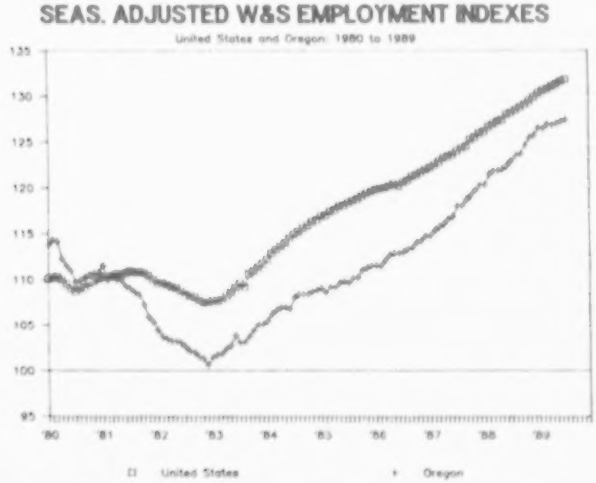
Millwork is the one major component of the lumber industry where employment appears relatively unscathed by the industry's problems. Employment growth slowed in 1988, but has picked up in 1989, with an estimated increase of almost 5% for the year as a whole. Employment in both June and July stood at 11,000, the highest level on record.

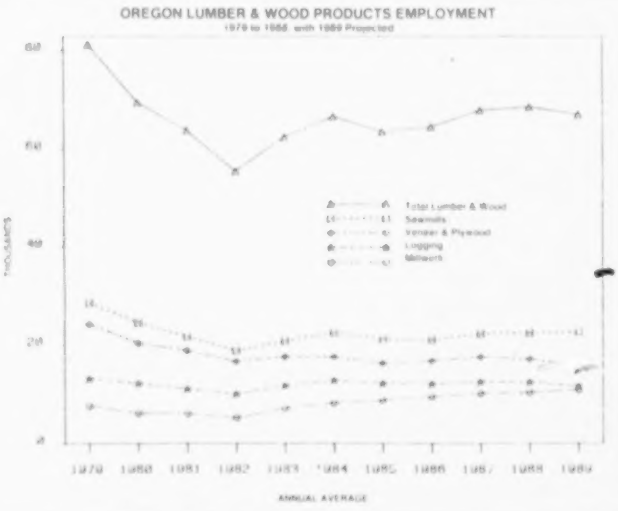
Mobile homes, the smallest of Oregon's wood industries with 1,800 employees, is enjoying a moderate resurgence. Employment grew by 200 in 1988, and an additional 200 are expected during 1989.

Moving on to other manufacturing industries, July was an excellent month for several durable goods producers. Primary metals employment climbed to 11,500, the highest level since early 1980. Electronic equipment & supplies and transportation equipment each added 300 jobs, both resulting from widespread job growth throughout the industries. Nondurable goods manufacturing experienced a very quiet month, the only action coming with a predictable 1,600 increase in food & kindred products.

Construction employment added 800 jobs in July, less than half the expected number. However, with employment running more than 4,000 ahead of year ago levels, it is entirely possible that those jobs normally added in July were added many months ago. Residential contractors added 400 while the completion of a couple of major projects reduced nonresidential jobs by the same amount. Overall, construction employment (45,800) registered its best July since 1980. Average construction employment in 1989 appears headed for the 43,000 range, an annualized increase of 10.0% over 1988.

Trade employment grew by more than twice the normal seasonal amount, with 800 new jobs in wholesale and





RESIDENT OREGON LABOR FORCE

	JUL.[1] 1989	JUN.[2] 1989	CHANGE	%CHANGE	JUL.[3] 1988
CIVILIAN LABOR FORCE[4]	1,480,900	1,475,500	5,400	0.4	1,437,000
UNEMPLOYMENT	77,300	77,800	-500	-0.6	84,900
PERCENT OF LABOR FORCE	5.2	5.3	XXX	XXX	5.9
SEASONALLY ADJUSTED PERCENT	5.2	5.4	XXX	XXX	5.9
TOTAL EMPLOYMENT[4]	1,403,600	1,397,700	5,900	0.4	1,352,100

[1]Preliminary.
[2]Revised.
[3]Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.
[4]Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
[5]Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	JUL.[1] 1989	JUN.[2] 1989	JUL. 1988	CHANGE FROM JUN. 1989	CHANGE FROM JUL. 1988
TOTAL[3]	1,192,100	1,209,000	1,149,100	-16,900	43,000
WAGE & SALARY EMPLOYMENT INDEX[4]	127.4	127.2	122.9	XXX	XXX
TOTAL MANUFACTURING	224,500	221,200	218,400	3,300	6,100
DURABLE GOODS	162,900	161,200	157,800	1,700	5,100
LUMBER & WOOD PRODUCTS	70,300	69,600	68,900	700	1,400
LOGGING & SAWMILLS	36,000	35,400	35,500	600	500
VENEER & PLYWOOD	16,900	16,900	16,600	0	300
MILLWORK & STRUCTURAL WOOD	11,000	11,000	10,800	0	200
MOBILE HOMES	1,800	1,800	1,700	0	100
OTHER WOOD PRODUCTS	4,600	4,500	4,300	100	300
FURNITURE AND FIXTURES	2,800	2,800	2,800	0	0
STONE, CLAY, GLASS & CONCRETE	4,600	4,600	4,300	0	300
PRIMARY METALS	11,500	11,100	10,400	400	1,100
BLAST FURNACES, IRON & STEEL	6,800	6,500	6,000	300	800
NONFERROUS METALS	4,700	4,600	4,400	100	300
FABRICATED METALS	11,100	11,100	11,200	0	-100
FABRICATED STRUCTURAL METALS	4,600	4,600	4,700	0	-100
OTHER FABRICATED METALS	6,500	6,500	6,500	0	0
MACHINERY	18,700	18,600	17,100	100	1,600
ELECTRICAL EQUIPMENT & SUPPLIES	16,900	16,600	15,500	300	1,400
TRANSPORTATION EQUIPMENT	11,800	11,500	11,700	300	100
INSTRUMENTS & RELATED PRODUCTS	11,500	11,500	11,900	0	-400
MISCELLANEOUS MANUFACTURING	3,700	3,800	4,000	-100	-300
NONDURABLE GOODS	61,600	60,000	60,600	1,600	1,000
FOOD & KINDRED PRODUCTS	25,900	24,300	26,000	1,600	-100
CANNING & PRESERVING	14,100	12,700	14,600	1,400	-500
OTHER FOOD PRODUCTS	11,800	11,600	11,400	200	400
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	-100
APPAREL	2,500	2,600	2,700	-100	-200
PAPER & ALLIED PRODUCTS	9,500	9,300	8,800	200	700
PRINTING & PUBLISHING	13,600	13,700	13,300	-100	300
CHEMICALS & ALLIED PRODUCTS	2,400	2,400	2,300	0	100
PETROLEUM REFINING	600	600	600	0	0
RUBBER & PLASTIC PRODUCTS	4,900	4,900	4,600	0	300
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	967,600	987,800	930,700	-20,200	36,900
MINING & QUARRYING	1,700	1,600	1,400	100	300
CONSTRUCTION	45,800	45,000	41,600	800	4,200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	63,500	63,800	60,600	-300	2,900
TRANSPORTATION	41,400	41,700	39,000	-300	2,400
RAILROAD	3,900	3,900	3,900	0	0
TRUCKING & WAREHOUSING	23,400	23,000	22,300	400	1,100
OTHER TRANSPORTATION	14,100	14,800	12,800	-700	1,300
COMMUNICATIONS	13,000	12,900	12,700	100	300
UTILITIES	9,100	9,200	8,900	-100	200
TRADE	309,000	307,000	295,100	2,000	13,900
WHOLESALE TRADE	78,400	77,600	73,000	800	5,400
DURABLE GOODS	46,100	45,600	42,800	500	3,300
NONDURABLE GOODS	32,300	32,000	30,200	300	2,100
RETAIL TRADE	230,600	229,400	222,100	1,200	8,500
GENERAL MERCHANDISE	28,500	28,200	27,600	300	900
FOOD STORES	39,900	39,400	37,100	500	2,800
AUTO DEALERS & SERVICE STATIONS	29,000	28,600	28,800	400	200
OTHER RETAIL TRADE	133,200	133,200	128,600	0	4,600
FINANCE, INSURANCE, & REAL ESTATE	75,400	75,300	74,500	100	900
BANKING & CREDIT AGENCIES	23,500	23,500	24,000	0	-500
OTHER FINANCE, INSURANCE, & REAL ESTATE	51,900	51,800	50,500	100	1,400
SERVICES	272,900	272,100	262,200	800	10,700
HOTELS & PERSONAL SERVICES	29,500	29,200	29,500	300	0
HEALTH SERVICES	84,200	83,400	77,200	800	7,000
OTHER SERVICES	159,200	159,500	155,500	-300	3,700
GOVERNMENT	199,300	223,000	195,300	-23,700	4,000
FEDERAL GOVERNMENT	33,000	32,700	33,100	300	-100
STATE GOVERNMENT	57,100	61,700	55,800	-4,600	1,300
EDUCATION	20,500	25,800	19,900	-5,300	600
OTHER STATE	36,600	35,900	35,900	700	700
LOCAL GOVERNMENT	109,200	128,600	106,400	-19,400	2,800
EDUCATION	59,800	79,800	58,000	-20,000	1,800
OTHER LOCAL	49,400	48,800	48,400	600	1,000
LABOR - MANAGEMENT DISPUTES	300	300	4,900	0	-4,600

[1]Preliminary.
[2]Revised.
[3]Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.
[4]Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

1,200 in retail. The gains were widespread throughout the industry, including wholesale hardware (+200), retail food stores (+500), and apparel & accessory stores (+400).

The Services Slowdown

Services employment grew by 800 in July, a tepid increase considering the 1,100 drop between May and June. After adjusting for normal seasonal changes, services employment has grown by only 2,100 since the start of the year. By comparison, the first seven months of 1988 added 9,800 jobs, fully revealing just how much services growth has slowed. Estimates of services growth for 1989 generally come in the 4.0% - 5.0% range, a healthy jump, but failing to meet the 6% growth exceeded in each of the last three years. In fact, the 4% and up estimate is bolstered by a very strong end to 1988. Comparisons of December 1989 with December 1988 are likely to show a paltry increase barely above 1.0%.

The most significant area of slower growth is in business services.

Hotels & lodging places is one area where growth has slowed. Employment is matching year ago levels almost exactly, not growing beyond them. While the supply of workers probably would not support continued rapid growth, this might well be the first time in six years that employment has not grown in this industry.

The most significant area of slower growth is in business services. Over the past four years, this sector has added between 3,500 and 5,500 workers every year. Current trends suggest the meagre addition of, at most, 2,500 jobs in 1989. Further analysis of our monthly sample data shows that:

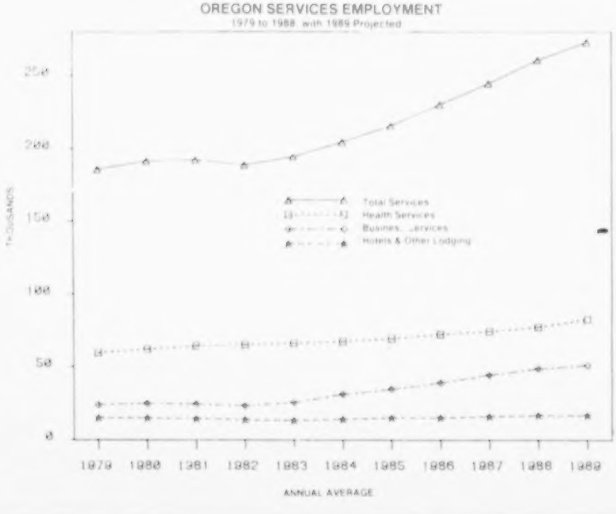
- Employment in "services to buildings" firms, generally janitorial, may actually have decreased slightly over the past 12 months.
- Personnel supply firms have shown almost no growth in comparing June 1989 with June 1988. One significant change appears in temporary help agencies which, according to sample data, grew strongly between June 1987 and June 1988, but barely changed during the following 12 months. Additional review of this particular industry is planned for an upcoming **Oregon Labor Trends** article.
- Computer and data processing services continue to grow strongly, with an 18.4% growth rate evident between June 1988 and June 1989. Much of this growth is in the computer programming/software area.
- Detective & protective services has dropped by 5% in the past 12 months. While some slowing appears to have occurred, the actual decline may be distorted because many companies were guarding mills involved in strikes at this time last year.
- Health services continues to grow strongly. With 7.6% growth between last June and this, and roughly 6% growth expected for 1989 as a whole, the industry is noting continued growth in offices of physicians and dentists, hospitals, medical and dental laboratories, and outpatient facilities.

CLOSURES/CUTBACKS AFFECTING LUMBER & WOOD PRODUCTS FACILITIES
STARTING JULY 1, 1988
Sorted by Date of Closure

Name	Location	Date of Closure	Employment Loss	Comments
Bohemia	Bolon Island	7/88	25	Most employees transferred to other locations
Medford Corp.	Grants Pass	9/88	170	
KOGAP Manufacturing	Medford	10/88	100	One shift off
Bohemia	Saginaw	10/88	59	
Silverton Forest Products (WTD)	Silverton	10/88	50	Possibly temporary
Cascade Locks Lumber	Cascade Locks	10/88	44	
Union Forest Products (WTD)	Union	12/88	80	Not competitive, lack of logs
Pacific Hardwoods (WTD)	Tillamook	12/88	80	Lack of logs, closed indefinitely
Leading Plywood	Corvallis	12/88	23	One shift off
Kohl Lumber	Seaside	12/88	13	Lack of logs
DG Mouldings	Harrisburg	2/89	95	
Willamette Industries	Sweet Home	2/89	67	Lack of logs
Weyerhaeuser	North Bend	3/89	200	
Falcon Manufacturing	Eugene	3/89	120	
Simpson Timber	Millersburg	4/89	200	Lack of/cost of logs
Weyerhaeuser	Springfield	5/89	400	Not closure, risk of intermittent downtime
Burrill Lumber Co.	White City	5/89	180	Possible layoffs
Medford Corp.	Medford	5/89	90	Lack of logs
Pleasant Valley Plywood	Sweet Home	5/89	80	Cost/lack of logs
Noble & Buttner Plug Co.	Hebo	5/89	19	Purchased by competitor, costs
Rosboro Lumber Co.	Springfield	6/89	128	Lack of logs, 59 off, unknown curtailments
Renco Forest Products	Central Point	6/89	146	Log litigation
Gold Beach Plywood	Gold Beach	7/89	115	Cost/lack of logs, sold to S. Coast Lumber
Georgia Pacific	Springfield	7/89	250	Cost/lack of logs, sold, will reopen with 170
Pope & Talbot Inc.	Oakridge	7/89	295	Sold to Bald Knob, will reopen with unknown
Seneca Sawmill Co.	Eugene	8/89	240	Reduced hours, layoffs, curtailments likely
Snow Mountain Pine	Hines	9/89	280	Mill will be sold, unknown number to be rehired
Additional job losses from confidential sources			290	
TOTAL JOBS POTENTIALLY AFFECTED			4,189	
TOTAL JOBS ACTUALLY LOST, TO DATE			2,645	

Revision date: August 1, 1989

OREGON SERVICES EMPLOYMENT
1979 to 1988, with 1989 Projected



Help Wanted

Finally, to the issue of labor shortages. While 1988 saw sporadic shortages in highly seasonal jobs in entertainment (especially the State Fair) and canning & preserving, 1989's problems are far more severe and widespread. This shortage has continued even though high school and college students have fully entered the job market for the summer. Most young people, especially those in the 17 and 18 age group, are already working if they want to. Many 16-year-olds are also placed in jobs. Only at the 14 and 15 year age group, where additional restrictions are placed on the work environment, are there a host of eager applicants with too few suitable jobs to satisfy them.

An August 20 survey of seven Employment Division offices -- east to west, north to south, small and large communities, timber-based and tourism-based -- offered ample evidence that employers are struggling to fill many openings.

..."help wanted" signs are evident across the state.

The most immediate and stark example, particularly for those participating in or visiting the event, is the lack of qualified applicants for Oregon State Fair jobs. With just four days before the Fair starts (at the time of writing), only 600 of the 1,000 employees needed have been hired. Interviews continue, and exposure by the local news media has helped considerably, but some employers, especially those offering the lower wages, could well be in dire straits by the weekend. This year's fair has the added complication that the Oregon minimum wage will change on the fourth day. Many employers are starting their workers at the new minimum ($3.85), others are sticking with the old ($3.35) and planning a raise on September 1, while still others are offering $4.00 to ensure a sufficient supply of workers. Most of the jobs are relatively unskilled, in occupations linked to the carnival (which are nearly filled), food sales, and demonstrating.

Another highly seasonal industry in Oregon is food processing, particularly canning & preserving fruits & vegetables. With the September hiring peak still a week or so away, many canneries, especially in the Willamette Valley, are resorting to major (and expensive) media advertising to attract applicants. The problem will increase when students return to school.

The restaurant business traditionally offers low wages and few benefits. Both of these factors are starting to change (albeit slowly) as "help wanted" signs are evident across the state. Cooks and dishwashers are in extreme demand statewide, especially in fast food restaurants. In more "complete" restaurants, waiters and waitresses are also in high demand. In some areas, most restaurants have moved well above the current $3.35 per hour minimum wage and will be little affected by the increase to $3.85 on September 1. In others, the hiring problem is exacerbated by rigid adherence to the minimum wage, resulting not only in difficulty in hiring, but also in faster turnover of existing employees.

Elsewhere in retail trade, the picture is a little better, but with a host of new stores, many with more than 100 employees, the holiday season will present severe hiring headaches for many.

Hotels and motels, discussed earlier, appear to be matching, but not building upon last year's employment level. That might be just as well, as housekeepers and desk clerks are few and far between at the state's major tourist centers. In Newport and Bend, Employment Division personnel have noted much more competition between employers, wages above minimum wage, and a level of employer creativity which, in some cases, includes offering additional benefits to keep employees.

Increasing the level of skill, the main labor shortages in the construction industry come at the journey level, particularly for electricians, plumbers, masons, and carpenters. Wage levels are generally higher in the Portland area. But wages elsewhere appear to be rising in an attempt to prevent this highly mobile workforce from traveling to the plentiful jobs in the big city. For certain specialties, employees are being attracted from well outside the local, even statewide, area.

Another perennial shortage, which also requires skills, comes in the health professions, particularly nurses and nurses' aides. However, in some parts of the state additional health occupations such as ultrasound technicians, ward clerks, X-ray technicians, and even secretaries with medical terminology skills are desperately needed.

In addition to the occupations listed above, problems are being noted in long-haul truck driving (statewide), lumber & wood products (for openings paying wages in the low $5.00 to $8.00 range), agriculture, auto/truck mechanics, legal secretaries, real estate professionals (such as loan officers, title examiners, escrow closers), electronics assemblers, and machinists.

Where does all this leave us? Basically with a continuing mismatch between the skills of those losing jobs and the skills needed (and the pay offered) for the vacant positions. While many employees are upgrading their position either by being offered more for their current work or by seeking new employment at higher pay levels, some find themselves out of work facing huge pay cuts as their reward for going out to find a new job. In any analysis of a dynamic and changing economy there will be winners and losers and real stories of human hardship. But there is no doubt that there are many more winners among Oregon's employees at this time than there have been for many years. □

EMPLOYERS' CORNER - LITERACY CONFERENCE

Last month's issue of **Oregon Labor Trends** contained an article on the topic of adult education and literacy. Due to space limitations, the following announcement of an upcoming conference on literacy and employee development issues was deleted.

LITERACY CONFERENCE

Personnel managers and community college educators are working together to create specialized programs to assess, recruit, and retain the workers they need. In conjunction with this effort, several Oregon firms (Oregonian Publishing Co., KATU, and Oregon Public Broadcasting) are co-sponsoring a one-day conference in Portland on September 8, 1989. Theme of the conference is "LITERACY & TOMORROW'S WORKFORCE - A Challenge in Human Resources Planning." Participants will learn ways to upgrade the skills of their employees, evaluate job applicants, solve current training problems, and plan for future employee development. To register for this conference ($40/person) or to get more information, please contact:

Rosalyn Menashe
Coordinator, Business Training
Portland Community College
P.O. Box 19000
Portland, OR 97219-0990
Phone: (503) 244-6111 Ext. 2410

□

HOURS AND EARNINGS -- CONSTRUCTION WAGES BOOM

David Cooke

What has happened to the wages of Oregon workers during the first half of 1989? One way to answer this question is to compare the average weekly wages for the first six months of 1989 with the same statistics for the first six months of 1988. When these comparisons are made for each industry, several notable changes become apparent. The biggest change occurred in construction, where the average construction worker earned a gross weekly wage of $535.07, up $47.87 in one year. That's nearly a 10% boost from the same period last year. The biggest loss was in veneer & plywood, where the average production worker earned $422.00, $11.46 per week less than in the first half of 1988.

The manufacturing average weekly wage is often looked at closely as an economic indicator. Between the first half of 1988 and the first half of 1989, it rose only $3.25; less than 1%. This is actually a decline in earning power, considering the 5.0% inflation rate affecting the U.S. and the Portland area. If the inflation rate is factored in, the earning power of the average manufacturing worker actually declined by 4%.

Outside of manufacturing, the gains in average weekly wages were more substantial. As already mentioned, construction rose nearly 10%. Of the other nonmanufacturing industries for which hours & earnings statistics are compiled, all showed gains. Communication & utilities, trade, banking & insurance, and state & local government each boosted their average weekly wages by between $12.07 and $18.37, equivalent to between 3.0% and 5.5%.

Turning to average weekly hours, total manufacturing was down 0.1 hours between the two periods. Construction, at an average of 36.8 hours per week was up 2.0. Paper & allied products production workers averaged 43.9 hours per week, up 1.7. This 43.9 hours per week average is the highest weekly hours figure ever recorded for the industry. At a time when employment in paper & allied products is at a six year peak, these high weekly hours figures give an indication of just how much work is being demanded.

Like average weekly wages, average hourly earnings also increased slightly. In general, the nonmanufacturing industries showed the largest gains in average hourly earnings. Wholesale trade saw its average hourly earnings rise $0.55, while banking & insurance improved $0.49.

The accompanying table shows the six month averages for each published industry and the differences between the 1988 and 1989 figures. □

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	January to June 1989	January to June 1988	Change	January to June 1989	January to June 1988	Change	January to June 1989	January to June 1988	Change
TOTAL MANUFACTURING	$424.83	$421.58	$3.25	39.3	39.4	-0.1	$10.81	$10.70	$0.11
Durable Goods	429.66	428.53	1.13	39.6	39.9	-0.3	10.85	10.74	0.11
Lumber & Wood Products	429.63	432.23	-2.60	39.2	39.8	-0.6	10.96	10.86	0.10
Logging & Sawmills	461.69	459.03	2.66	38.7	39.2	-0.5	11.93	11.71	0.22
Veneer & Plywood	422.00	433.46	-11.46	40.0	40.7	-0.7	10.55	10.65	-0.10
Millwork & Structural	358.66	360.45	-1.79	39.5	40.5	-1.0	9.08	8.90	0.18
Mobile Homes	323.96	311.40	12.56	36.4	36.0	0.4	8.90	8.65	0.25
Other Wood Products	418.72	412.23	6.49	40.3	40.1	0.2	10.39	10.28	0.11
Furniture & Fixtures	314.53	301.08	13.45	35.5	35.8	-0.3	8.86	8.41	0.45
Primary Metals	514.11	505 26	8.85	42.7	42.0	0.7	12.04	12.03	0.01
Fabricated Metals	386.39	382.97	3.42	38.6	39.4	-0.8	10.01	9.72	0.29
Machinery (Ex Electrical)	453.87	441.40	12.47	41.0	40.2	0.8	11.07	10.98	0.09
Nondurable Goods	409.73	400.98	8.75	38.4	37.9	0.5	10.67	10.58	0.09
Food & Kindred Products	333.95	321.05	12.90	36.9	36.4	0.5	9.05	8.82	0.23
Canning & Preserving	280.96	265.50	15.46	35.7	35.4	0.3	7.87	7.50	0.37
Other Food Products	398.98	392.36	6.62	38.4	37.8	0.6	10.39	10.38	0.01
Textile Mill Products	244.26	240.62	3.64	34.5	35.7	-1.2	7.08	6.74	0.34
Apparel	251.18	230.58	20.60	38.0	36.6	1.4	6.61	6.30	0.31
Paper & Allied Products	663.33	643.55	19.78	43.9	42.2	1.7	15.11	15.25	-0.14
Printing & Publishing	428.25	428.04	0.21	36.2	36.0	0.2	11.83	11.89	-0.06
NONMANUFACTURING									
Construction	535.07	487.20	47.87	36.8	34.8	2.0	14.54	14.00	0.54
Communications & Utils	551.36	535.38	15.98	41.3	40.9	0.4	13.35	13.09	0.26
Wholesale & Retail Trade	314.53	299.59	14.94	34.3	34.2	0.1	9.17	8.76	0.41
Wholesale Trade	417.69	400.05	17.64	37.8	38.1	-0.3	11.05	10.50	0.55
Retail Trade	260.98	248.91	12.07	32.5	32.2	0.3	8.03	7.73	0.30
Banking & Insurance	352.50	334.13	18.37	37.5	37.5	0.0	9.40	8.91	0.49
State & Local Government	382.18	365.89	16.30						

PER CAPITA PERSONAL INCOME, 1988

Duane Ackerson

Per capita personal income for a given year is defined as the annual total personal income for residents of an area divided by its resident population as of July 1.

Before discussing Oregon's 1988 standing in the annual Miss Per Capita Pageant, it might be helpful to recap the events of the preceding contest year.

A review of 1987 per capita personal income (PCPI) data from the Bureau of Economic Analysis (BEA) points out the shortcomings of short-term analysis. In mid-1988, based on the currently available BEA data, growth in PCPI 1986-87 for the U.S. was 4.8%, and 4.2% for Oregon. Now, the most recent, revised BEA data for 1981-88 in the *Survey of Current Business* (April 1989) show the U.S. achieving 5.9% growth in 1986-87 and Oregon at 6.0% for the same period. These are fairly drastic revisions, both for the state and the nation, and indicate that, rather than lagging the U.S. growth rate by 0.6 point as previously reported, Oregon exceeded the national growth rate by 0.1 point. Previous to this revision, Oregon's 1987 per capita figure was about 1% lower at $13,887; the revised figure now stands at $14,019. With this same revision, the U.S. 1987 PCPI figure also rose about 1% from $15,340 to $15,482; the combined effect of revisions to both 1986 and 1987 data for Oregon and the nation were the noteworthy changes mentioned above.

Though these 1987 revisions may reassure Oregonians, improvement in the state's standing vis-a-vis the nation was not that dramatic; Oregon is still not likely to be a finalist in the Miss Per Capita Pageant. Oregon's PCPI, with these recent changes, only rose from 90.5% to 90.6% of the U.S. per capita personal income.

The 1987 revisions aside, Oregon did show continued improvement in its standing in 1988. The state's PCPI, at $14,982, was 91.1% of the U.S. figure of $16,444, an increase of 0.5% from the revised 1987 figure. Oregon, which ranked 30th in the country in PCPI in 1987, moved up in the ranks to 27th in 1988.

However, we still need to ask, "improvement compared with what?" The time frame we adopt in an analysis can greatly change the perspective (perhaps this is an economic corollary to the Theory of Relativity). Before the 1980-82 recession arrived, Oregon placed even higher among the states. In 1979 it was 18th; the 1988 standing is still 9 slots lower than where Oregon stood slightly less than a decade ago in 1979. The current ranking is only a slight improvement over where we were in the recession period, when Oregon, at number 29 in 1981, was two places lower than its current standing.

Rather than worrying too much about what the score is, perhaps it would be better to cast a jaundiced eye over most attempts at ranking. Ranking things tends to create a sense that the universe is better ordered than it probably is. As Einstein pointed out, even rulers grow longer as our velocity approaches the speed of light, suggesting that most of our earthbound measurements are close, but nonetheless imperfect, approximations. Books like the *Guinness Book of Records* and the *Book of Lists*, with their reiteration of "the largest," "the smallest," "the shortest," "the tallest," and "the richest" whatevers, aggravate the problem. (Some possible entries for these books, previously overlooked: "world's tallest munchkin," "world's shortest sneeze," "worst rendition of the national anthem by a macaw," "most boring Michael Jackson song," "most commercials ever in a tv late show," and "most useless statistic.")

U.S. STATES RANKED BY PER CAPITA PERSONAL INCOME & SORTED BY HOUSEHOLD INCOME, 1988

RANK	AREA	PER CAPITA INCOME($)	% CHANGE 1987-88	% OF U.S. PER CAPITA	AVERAGE POPULATION PER HOUSEHOLD	AVERAGE HOUSEHOLD INCOME($)
	United States	16,444	6.2	100.0	2.62	43,083
1.	Connecticut	22,761	7.4	138.4	2.60	59,179
2.	New Jersey	21,882	7.7	133.1	2.66	58,206
4.	Alaska	19,514	6.3	118.7	2.85	55,615
3.	Massachusetts	20,701	8.7	125.9	2.56	52,995
5.	Maryland	19,314	6.3	117.5	2.66	51,375
13.	Hawaii	16,808	7.7	102.8	2.99	50,525
8.	California	18,855	5.7	114.7	2.67	50,343
7.	New Hampshire	19,016	6.2	115.6	2.61	49,632
6.	New York	19,299	7.2	117.4	2.56	49,405
9.	Delaware	17,699	7.9	107.6	2.63	46,548
11.	Illinois	17,611	7.3	107.1	2.62	46,141
10.	Virginia	17,640	7.0	107.3	2.60	45,864
19.	Michigan	16,387	6.3	99.7	2.66	43,589
12.	Nevada	17,440	6.3	106.1	2.49	43,589
15.	Minnesota	16,787	5.5	102.1	2.58	43,310
14.	Rhode Island	16,793	7.4	102.1	2.56	42,990
20.	Pennsylvania	16,168	6.4	98.3	2.60	42,037
18.	Colorado	16,417	5.2	99.8	2.54	41,699
16.	Washington	16,569	6.0	100.8	2.49	41,257
17.	Florida	16,546	6.2	100.6	2.46	40,703
28.	Georgia	14,980	4.7	91.1	2.68	40,146
33.	Texas	14,640	5.4	89.0	2.74	40,114
23.	Ohio	15,485	6.1	94.2	2.59	40,106
21.	Kansas	15,905	5.0	96.7	2.52	40,081
24.	Wisconsin	15,444	4.9	93.9	2.59	40,000
30.	Arizona	14,887	4.5	90.5	2.67	39,748
22.	Missouri	15,492	5.8	94.2	2.55	39,505
25.	Vermont	15,382	7.4	93.5	2.55	39,224
32.	Indiana	14,721	5.6	89.5	2.60	38,275
26.	Nebraska	15,184	6.2	92.3	2.52	38,264
48.	Utah	12,011	5.5	73.1	3.17	38,081
29.	Maine	14,970	7.1	91.1	2.54	38,039
31.	Iowa	14,764	3.4	89.8	2.51	37,058
27.	**Oregon**	**14,982**	**6.9**	**91.1**	**2.48**	**36,856**
35.	Wyoming	13,718	7.9	83.4	2.67	36,627
34.	North Carolina	14,128	6.0	85.9	2.57	36,309
36.	Tennessee	13,659	6.1	83.1	2.58	35,240
39.	South Carolina	12,764	6.1	77.6	2.75	35,101
44.	New Mexico	12,481	4.9	75.9	2.75	34,323
42.	Idaho	12,657	6.7	77.0	2.71	34,300
46.	Louisiana	12,193	5.9	74.1	2.77	33,775
37.	Oklahoma	13,269	5.3	80.7	2.54	33,703
43.	Alabama	12,694	5.5	76.6	2.67	33,653
38.	Kentucky	12,795	6.6	77.8	2.62	33,523
40.	North Dakota	12,720	1.9	77.4	2.58	32,818
41.	Montana	12,670	3.1	77.0	2.58	32,689
45.	South Dakota	12,475	0.6	75.9	2.57	32,061
47.	Arkansas	12,172	5.5	74.0	2.59	31,525
50.	Mississippi	10,992	6.7	66.8	2.78	30,558
49.	West Virginia	11,658	6.1	70.9	2.61	30,427
	Dist. of Columbia	21,667	7.9	131.8	2.35	50,917

As a for instance, though Oregon ranked number 29 in PCPI in 1981, it also stood at 95.4% of the nation's PCPI. In 1988, though ranked number 27, an improvement in standing among the states, Oregon had lost ground in percentage terms, falling 4.3 percentage points to 91.1% of the national PCPI.

The following table shows Oregon PCPI as a percentage of the national figure over the past eight years:

Oregon as % of U.S. Per Capita: Personal Income, 1981-88

1981	95.4
1982	92.2
1983	93.2
1984	91.9
1985	90.9
1986	90.5
1987	90.6
1988	91.1

As we might expect, Oregon's per capita income, in nominal terms, has increased over time. In fact, it more than doubled between 1975 and 1988, climbing from $6,053 to $14,982. However, in 1975, Oregon's per capita income was 99.7% of the national average, and in the late 1970s (1976-79), Oregon actually exceeded the U.S. in per capita income, peaking in 1978 at 102.0% of national per capita income. However, by 1988, the state's per capita income, at $14,982, was 91.1% of the national per capita income of $16,444. In all, over the period 1979-88, while Oregon per capita income rose 63.3%, U.S. per capita income grew by 82.0%. Even if we adjust these data for Oregon's lower inflation rate between 1979-88 (+49.0% versus +62.9% based on the CPI-U for the Portland area and the nation), "real" per capita income rose less in Oregon than in the country as a whole (+9.6% versus +11.7%) over the past ten years.

The U.S. Department of Commerce recently released estimates on average population per household for the various states as of July 1, 1988. The accompanying table shows the states ranked by per capita income and sorted by "average household income." The author derived this income figure by multiplying per capita income by average population per household. Oregon's average household population for 1988 was 2.46; multiplied by the per capita income for that year of $14,982 yields an average household income of $36,856. In 1987, Oregon, with an average household income of $34,767, ranked number 34 in the nation; in 1988, it also ranked 34th.

But, we're getting ahead of the story. Before Miss Per Capita marries and starts a family, becoming Ms. Average Household Income, there's that 1988 Per Capita Pageant. If this particular rating game is seen as a beauty contest, Miss USA 1988, judged along with her various states, would receive a score from the judges of 17.5, partway between that for Miss Colorado (number 18 at $16,417) and Miss Florida (number 17 at $16,546). This is exactly (midway between 17 and 18) what its standing was in the previous year. This performance suggests that if the U.S. persists in entering these pageants, its predictable mediocrity will probably earn it the title of Miss Congeniality. For those few who don't find beauty competitions passe, here are the results. Third runner-up, in the number four spot, is Miss Alaska; second runner-up in the third slot, Miss Massachusetts, and first runner-up in beauty spot number two, Miss New Jersey. As in the preceding year, Miss Connecticut came in first, receiving a cash award of $22,761 for 1988, and the right to the per capita personal income crown, a small strip of laminated cardboard joined to form a loop and inscribed "Each man/woman his own king/queen." □

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